

2. I have reviewed and familiarized myself with the collection and reporting requirements to be imposed on Axle pursuant to the rule promulgated by the Consumer Financial Protection Bureau (the “CFPB”), entitled *Small Business Lending Under the Equal Credit Opportunity Act (Regulation B)*, 88 Fed. Reg. 35,150 (May 31, 2023) (the “Final Rule”). These include guidance by the CFPB based upon its analysis of costs associated with collecting information for 13 data points, indicating that “Type A” non-depository institutions will incur start-up costs of at least \$59,400.00, plus ongoing costs of \$83.00 for every application received.

3. Axle is a limited liability company duly organized and existing under and by virtue of the laws of the State of Indiana, with its principal office located at 15301 N. Dallas Parkway Addison, Texas 75001. Axle operates as a floorplan lender that provides financing for motor vehicle dealerships. Axle operates from brick-and-mortar branches located nationwide, including two branches located in the Southern District of Texas at 1440 FM 3083, Conroe, Texas 77301 and 1826 Almeda Genoa, Houston, Texas 77047, employing more than a dozen citizens within the Southern District of Texas.

4. Axle has existing loans with hundreds of motor vehicle dealers located within the State of Texas, including numerous active borrower dealerships located within the Southern District of Texas, and hundreds of others operating nationwide, many of which purchase vehicles in Texas.¹ Axle frequently extends new credit to, and increases credit lines of, Texas women-owned, minority-owned, and small businesses, specifically those with less than \$5 million in gross annual revenue (“New Loans”). The volume of such New Loans exceeded one hundred (100) in each of 2021 and 2022, and Axle projects it will maintain (or increase) such volume of New Loans in 2023 and 2024. Axle’s New Loans were not, and will not be, trade credit loans, insurance

¹ These include more than 50 dealer borrowers located within—and selling vehicles to customers located within—the Southern District of Texas.

premium financing, Home Mortgage Disclosure Act loans, reportable transactions, public utility credits, securities credits, or incidental credits.

5. New Loans and existing loans made by Axle are, in many cases, the sole source of financing for Axle's customers to acquire their assets, allowing them to continue operating their businesses.

6. Axle conducts significant business within the Southern District of Texas, as represented by its more than fifty borrower dealerships located in the counties within the Southern District of Texas. Axle has many employees located in the Southern District of Texas, and has a compelling interest relating to the subject of this action due the effects the Final Rule will have on its business in the Southern District of Texas.

7. Axle is a member of the Equipment Leasing and Finance Association ("ELFA"). Axle is not a member of the Texas Bankers Association, American Bankers Association, Independent Bankers Association of Texas, Independent Community Bankers of America, Credit Union National Association, or Cornerstone Credit Union League.

8. Based upon experience as Vice President of Collection/Compliance, Axle's compliance with the data collection and reporting requirements of the Final Rule will be expensive, onerous, and detrimental to Axle's business. To date, Axle has incurred almost \$10,000.00 in preparing to comply with the Final Rule. If the CFPB's projections based upon 13 data points are correct, Axle anticipates it will incur an additional \$180,000.00 by its current projected compliance date in integrating appropriate data collection and reporting procedures necessary to meet the requirements of the Final Rule. Additionally, Axle anticipates it will be forced to hire at least one employee to either handle the data collection and reporting required by the Final Rule or to assume other responsibilities for a current employee tasked with ensuring compliance with the Final Rule.

Axle will also be forced to hire outside consultants and other experts to interpret and ensure compliance with the Final Rule. Axle, a budding financial institution, does not employ an in-house attorney. Thus, it must rely exclusively upon outside counsel and consultants for legal compliance guidance, advice, and counsel, forcing it to incur additional fees and costs.

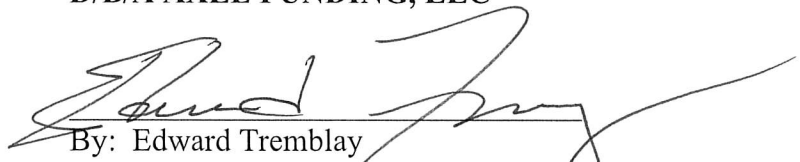
9. Axle's projection does not include the costs associated with licensing and software systems necessary to implement its protocols, as Axle has not yet been able to identify a viable vendor for such systems.

10. The costs detailed herein are significant to Axle, which maintains a goal of providing premier lending services while maintaining a local relationship with its customers. Such costs will not only impact the terms of Axle's loans, but will also negatively impact the relationships with its current and future customers, which Axle strives to preserve.

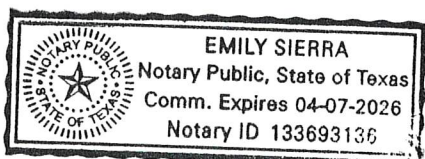
FURTHER AFFIANT SAYETH NOT.


Executed this the 30 day of August, 2023.

**XL FUNDING, LLC
D/B/A AXLE FUNDING, LLC**


By: Edward Tremblay
Its: Vice President of Collection/Compliance

SUBSCRIBED AND SWORN TO BEFORE ME by the said Edward Tremblay, Vice President of Collection/Compliance for XL Funding, LLC d/b/a Axle Funding, LLC, on this the 30 day of August, 2023.




Notary Public, State of Texas